

ness which we term reasoning—and particularly on financial questions—for undoubtedly the vast majority of fallacies arise, not from error in the logical form of the argument but from the use by a reasoner (if, under these circumstances, he deserve the title), and more especially by contending disputants, of the same word in different senses, however subtle be the boundaries by which these senses are marked off.

Moreover, it will be found, if we examine our terms, that every investor is implicitly a trader, and should accordingly possess some serviceable knowledge of the events, conditions and contingencies which promote or retard the prosperity of our industries. If he be the holder of a Government Security, the value of his investment, or the price at which he could sell, is affected by the extension or restriction, the favourable or adverse nature, of the internal trade of the country, and the volume and advantageous character of the general commerce of the nation. The ordinary shares in a railway are prosperously or unfortunately influenced, not simply in value but also in the extent of the dividends, by the quantity and value of the traffic carried, which again depend, *inter alia*, upon the magnitude and frequency of the exchanges of goods.

It is obvious that credit, or trust, or confidence in each other is the final foundation of both ordinary and commercial intercourse. A recollection of some experiences suggests a practical expansion of the definition of Credit, as employed in transactions in business. Besides the essential implication of integrity of character and truthfulness in the persons or firms with whom we deal, and their established reputation for solvency and promptitude in the fulfilment of engagements, credit also assumes (1) the skill of the persons or firms (as tested by experience) in the administration of their business and commitments, and (2) their prudence in the range of their primary class of industry—not simply in the area of their obligations compared with the sustaining capital, but also—in respect of that principal trade not being associated with other depart-

ments of enterprise which, in nature and mode of operation, are not legitimately congruent. I have known of instances where